

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT

| | | |
|---|--|---|
| APPLICATION FOR PERMIT TO DRILL | | 1. WELL NAME and NUMBER Clay Basin Unit #69 |
| 2. TYPE OF WORK DRILL NEW WELL <input type="radio"/> REENTER P&A WELL <input type="radio"/> DEEPEN WELL <input type="radio"/> | | 3. FIELD OR WILDCAT CLAY BASIN |
| 4. TYPE OF WELL Gas Well Coalbed Methane Well: NO | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME CLAY BASIN |
| 6. NAME OF OPERATOR WEXPRO COMPANY | | 7. OPERATOR PHONE 307 922-5612 |
| 8. ADDRESS OF OPERATOR P.O. Box 458, Rock Springs, WY, 82902 | | 9. OPERATOR E-MAIL Terry.Nimmo@Questar.com |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) FEE | 11. MINERAL OWNERSHIP FEDERAL <input type="radio"/> INDIAN <input type="radio"/> STATE <input type="radio"/> FEE <input checked="" type="radio"/> | 12. SURFACE OWNERSHIP FEDERAL <input type="radio"/> INDIAN <input type="radio"/> STATE <input type="radio"/> FEE <input checked="" type="radio"/> |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') Division of Wildlife Resources | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-538-4712 |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 1594 W North Temple, Suite 2110, Salt Lake City, , UT 84114 | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') stanbailey@utah.gov |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="radio"/> (Submit Commingling Application) NO <input checked="" type="radio"/> | 19. SLANT VERTICAL <input checked="" type="radio"/> DIRECTIONAL <input type="radio"/> HORIZONTAL <input type="radio"/> |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|--|-------------------|---------|---------|----------|--------|----------|
| LOCATION AT SURFACE | 1363 FNL 1343 FWL | SE | 20 | 3.0 N | 24.0 E | S |
| Top of Uppermost Producing Zone | 1363 FNL 1343 FWL | SE | 20 | 3.0 N | 24.0 E | S |
| At Total Depth | 1363 FNL 1343 FWL | SE | 20 | 3.0 N | 24.0 E | S |

| | | |
|---|--|--|
| 21. COUNTY DAGGETT | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 26 | 23. NUMBER OF ACRES IN DRILLING UNIT 730 |
| | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1250 | 26. PROPOSED DEPTH MD: 5640 TVD: 5640 |
| 27. ELEVATION - GROUND LEVEL 6308 | 28. BOND NUMBER 965003033 | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Daggett County |

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

| | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|--|---|--------------------------------------|
| NAME Paul Jibson | TITLE Associate Permit Agent | PHONE 307 922-5647 |
| SIGNATURE | DATE 08/07/2009 | EMAIL Paul.Jibson@Questar.com |
| API NUMBER ASSIGNED 43009500010000 | APPROVAL  Permit Manager | |

Proposed Hole, Casing, and Cement

| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
|---------------|------------------|--------------------|-----------------|--------------------|--|--|
| Surf | 12.25 | 9.625 | 0 | 500 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade J-55 LT&C | 500 | 36.0 | | | |
| | | | | | | |

| Proposed Hole, Casing, and Cement | | | | | | |
|--|------------------|--------------------|-----------------|--------------------|--|--|
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | |
| Prod | 7.875 | 4.5 | 0 | 5640 | | |
| Pipe | Grade | Length | Weight | | | |
| | Grade P-110 LT&C | 5640 | 13.5 | | | |
| | | | | | | |

**Drilling Plan
Wexpro Company
Clay Basin Unit Well No. 69
Daggett County, Utah**

1. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

| Formation | Depth (TVD) | Remarks |
|--------------------|--------------------|--------------------------|
| Mancos | Surface | Gas, Secondary Objective |
| Frontier | 5,375' | Gas, Major Objective |
| Mowry | 5,541' | |
| Total Depth | 5,640' | |

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected.

2. PRESSURE CONTROL EQUIPMENT: (See attached diagram) Operator's minimum specifications for pressure control equipment require an 11-inch 3000 psi double gate hydraulically operated blowout preventer and an 11-inch 3000 psi annular preventer. BOP equipment will be tested to its rated working pressure. The annular preventer will be tested at 50% of its rated working pressure.

NOTE: The surface casing will be pressure tested to a minimum of 1500 psi. BOP's will be checked daily as to mechanical operating condition and will be tested by an independent pressure testing company after each string of casing is run; when initially installed; whenever any seals subject to test is broken; following related repairs; and at 30 day intervals. All ram type preventers will have hand wheels which will be operative and accessible at the time the preventers are installed.

AUXILIARY EQUIPMENT:

- a. Manually operated kelly cock
- b. No floats at bit
- c. Monitoring of mud system will be with PVT system
- d. Full opening floor valves in the full open position, capable of fitting all drill stem connections manually operated
- e. Formation integrity test will be done 20' below surface casing shoe to 11.0 ppg

2. CASING PROGRAM:

| Hole Size | Size | Top | Bottom | Weight | Grade | Thread | Condition |
|-----------|--------|-----|------------|--------|-------|--------|-----------------|
| 26" | 20" | sfc | 60' | | | | Steel Conductor |
| 12-1/4" | 9-5/8" | sfc | 500' | 36# | J-55 | LTC | New |
| 7-7/8" | 4-1/2" | sfc | 5,640' TVD | 13.5# | P-110 | LTC | New |

| Casing Strengths: | | | | Collapse | Burst | Tensile (minimum) |
|-------------------|----------|-------|-----|------------|------------|-------------------|
| 9-5/8" | 36 lb. | J-55 | STC | 2,020 psi | 3,520 psi | 423,000 lb. |
| 4-1/2" | 13.5 lb. | P-110 | LTC | 10,680 psi | 12,410 psi | 338,000 lb |

(See attached casing design sheet)

Wexpro requests a variance from 43 CFR 3160 Onshore Oil and Gas Order #2, Section III requirements, subsection E - Special Drilling Operations for the specific operation of drill and setting surface casing with a truck mounted air rig.

The variance to Onshore #2 is requested because surface casing depth for this well is 500' and high pressure is not expected.

A properly lubricated and maintained rotating head: A diverter bowl will be utilized in place of a rotating head. The diverter bowl will force the air and cutting returns to the reserve pit as it is used to drill the surface casing.

Blooiie line discharge will be 100 feet from the well bore and securely anchored: The blooiie line discharge for this operation will be located 50 to 70 feet from the wellhead.

Automatic ignitor or continuous pilot light on the blooiie line: A diffuser will be used rather than an automatic pilot/ignitor. Water is injected into the compressed air and eliminates the need for the pilot light and the need for dust suppression equipment.

Compressor located in the direction from the blooiie line is a minimum of 100' from the well bore: Truck mounted air compressors will be located within 50 feet on the opposite side of the wellhead from the blooiie line and equipped with a (1) emergency kill switch on the driller's console, (2) pressure relief valve on the compressor and (3) spark arrestors on the motors.

3. CEMENTING PROGRAMS:

20" Conductor: Cement to surface with construction cement.

9-5/8" Surface Casing: sfc - 500' (TVD) (12-1/4" Hole)

0-500' - 289 sacks (333 cu ft) Class "G" + 2% CaCl₂ + 1/4 % Cello Flake. Slurry wt: 15.8 ppg, Slurry yield: 1.15 cu. Ft./sack, Slurry volume: 45' of 9 5/8", 36 lb/ft Casing

(20 cu. ft), 500' of 12 1/4" x 9 5/8" annulus (157 cu. ft.), 100% excess (157 cu. ft.), Total 334 cu. ft.

Centralizers: 6 Bow Spring Centralizers; two on the shoe joint, on next 5 collar.
One centralizer in Surface Casing at 100'.

4-1/2" Production Casing: 500' – 5,640' (TVD) (7-7/8" Hole)

Tail: 500' – 5,640' – 1345 sacks (2017.7 cu. ft.) of 35/65 Poz-G with reducer, fluid loss additive and retarder. Slurry wt: 14.2 ppg, Slurry yield: 1.5 cu. ft. per sack.

4. MUD PROGRAM:

1. Surface to 500 feet
Surface hole will be drilled and cased with Rat-Hole rig.
2. 500 to Total Depth
Drill out of surface casing 10' and test formation to 10.0 ppg mud equivalent.
Circulate water through reserve pit.
Run gel and polymer sweeps as necessary.
Drill from 500' to 4,500' with 35 vis mud.
Mud weight of 9.0-10.0 ppg may be required to drill from the Frontier to TD (5,640' TVD), so mud up should be accomplished at 4,500' TVD.
Water loss should be low to protect the water sensitive sand section.

Example Properties:

| | |
|---------------|------------|
| Mud Weight | 9.0 - 10.0 |
| Viscosity | 35 - 45 |
| Water Loss | <7 |
| LCM | As Needed |
| Filter Cake | 1/32 |
| PH | 10 |
| Gel Strengths | Minimum |

This mud should be maintained to total depth.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

No chrome constituent additives will be used in the mud system on Federal, State and Indian lands without prior BLM/State approval to ensure adequate protection of fresh water aquifers.

5. LOGGING: DIL-SFL-GR: - Total Depth to surface casing
MICRO-LOG: - Total Depth to surface casing
BHC- Sonic with Caliper - Total Depth to surface casing
FDC-CNL-GR-PE w/ Caliper:- Total Depth to surface casing
Formation tester: Interval to be selected from open hole logs.

TESTING: None

CORING: None

6. ABNORMAL PRESSURE AND TEMPERATURE: No abnormal pressures are anticipated. A BHT of 119 degrees F.

7. ANTICIPATED STARTING DATE: June 1, 2010

DURATION OF OPERATION: 25 days

CLAY BASIN UNIT WELL NO. 69

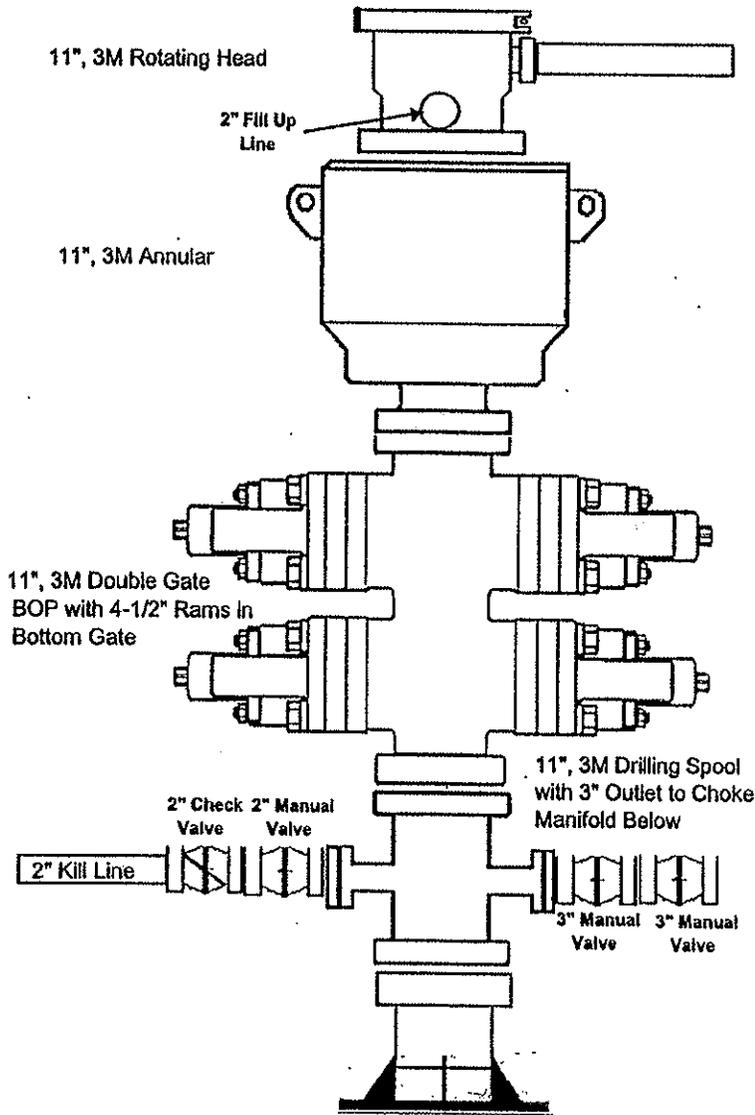
| SURFACE CASING: | | | | | |
|------------------------|----------------------|--------|--|--|---------------------------|
| CASING: | 9-5/8", 36#, K-55 | | | | 0.4340 cu.ft./lin.ft |
| ANNULUS: | 12-1/4" (Guage Hole) | | | | 0.3132 cu.ft./lin.ft |
| EXCESS: | | | | | 100% |
| CEMENT YIELD: | LEAD | | | | 2.56 cu.ft./sack 11.6 PPG |
| | TAIL | | | | 1.15 cu.ft./sack 15.8 PPG |
| TOTAL DEPTH | | | | | 500 Feet |
| TOP OF TAIL | | | | | Feet |
| TOP OF LEAD | | | | | 0 Feet (Surface) |
| LEAD SLURRY | | | | | |
| | | | | | CU.FT |
| ANN | 0 TO 0 | 0.3132 | | | 0.00 |
| ANN EXCESS | | 100% | | | 0.00 |
| | | | | | 0.00 |
| | | | | | 0 SACKS 0 CU.FT. |
| TAIL SLURRY | | | | | |
| | | | | | CU.FT |
| CSG | 500 TO 455 | 0.4340 | | | 19.53 |
| ANN | 500 TO - | 0.3132 | | | 156.6 |
| ANN EXCESS | | 100% | | | 156.6 |
| | | | | | 332.73 |
| | | | | | 289 SACKS 333 CU.FT. |
| | | | | | DISPLACEMENT 35.2 BBLs |

| PRODUCTION CASING: | | | | | |
|---------------------------|------------------------------|--------|--|--|-----------------------------|
| CASING: | 4-1/2", 13.5#, P-110 | | | | 0.0838 cu.ft./lin.ft |
| ANNULUS: | 9-1/4" (From Open Hole Logs) | | | | 0.3562 cu.ft./lin.ft |
| EXCESS: | | | | | 0.3236 cu.ft./lin.ft |
| CEMENT YIELD: | LEAD | | | | 2.41 cu.ft./sack - 11.6 PPG |
| | TAIL | | | | 1.50 cu.ft./sack - 14.2 PPG |
| TOTAL DEPTH | | | | | 5,640 Feet |
| TOP OF TAIL | | | | | 500 Feet |
| TOP OF LEAD | OPEN HOLE | | | | 500 |
| | SURFACE CASING | | | | SURFACE Feet |
| LEAD SLURRY | | | | | |
| | | | | | CU.FT |
| ANN | 500 TO 500 | 0.3562 | | | 0.00 |
| | 500 TO 500 | 0.3236 | | | 0.00 |
| ANN EXCESS | | 10% | | | 0.00 |
| | | | | | 0.00 |
| | | | | | 0 SACKS 0 CU.FT. |
| TAIL SLURRY | | | | | |
| | | | | | CU.FT |
| CSG | 5,640 TO 5,595 | 0.0838 | | | 3.771 |
| ANN | 5,640 TO 500 | 0.3562 | | | 1830.9 |
| ANN EXCESS | | 10% | | | 183.09 |
| | | | | | 2017.73 |
| | | | | | 1345 SACKS 2017.7 CU.FT. |
| | | | | | DISPLACEMENT 83.5 BBLs |

QUESTAR WEXPRO

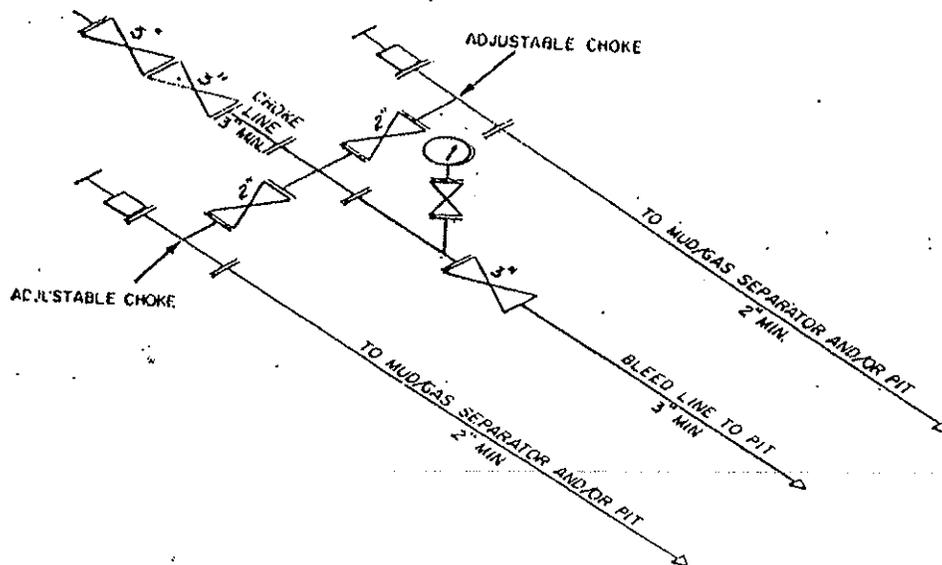
3,000 psi BOP

Minimum Requirements



3M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION MAY VARY

46812 Federal Register / Vol. 53, No. 223 / Friday, November 18, 1988 / Rules and Regulations



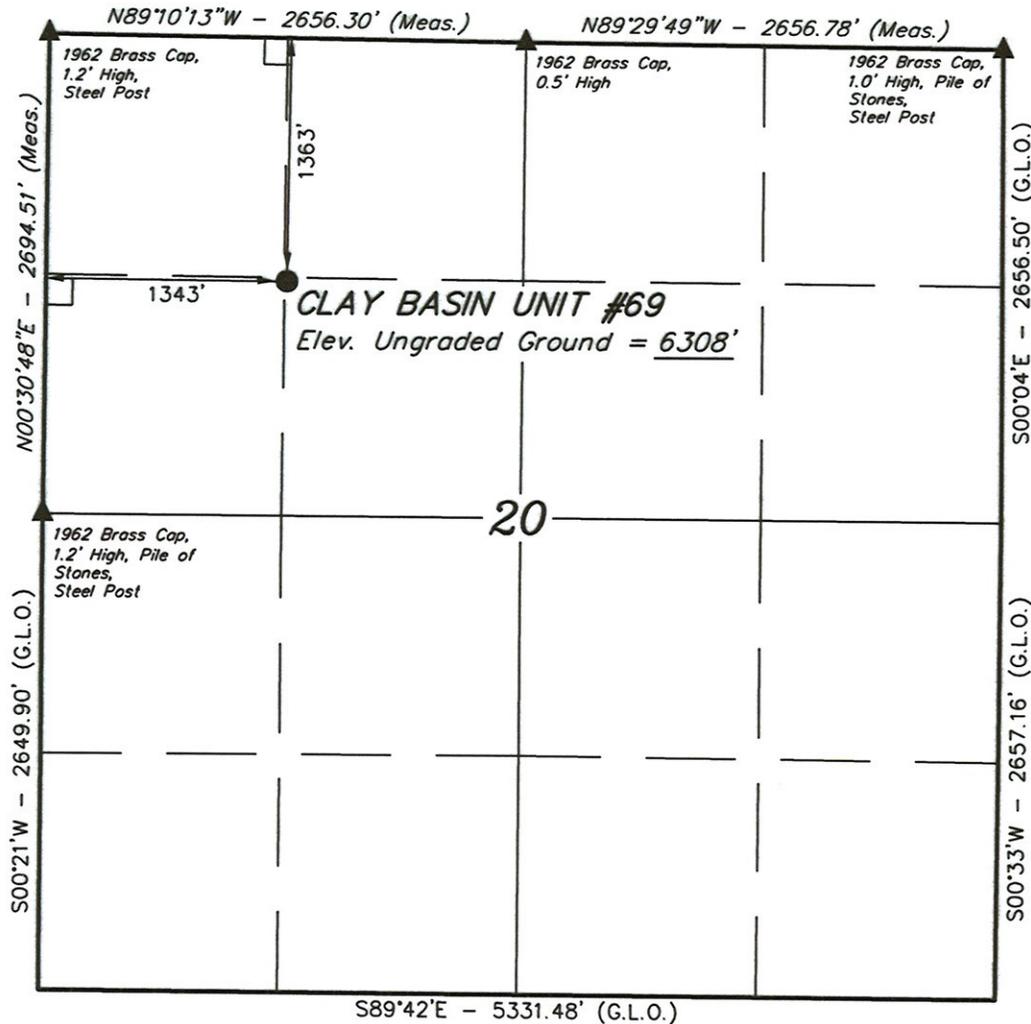
T3N, R24E, S.L.B.&M.

WEXPRO COMPANY

Well location, CLAY BASIN UNIT #69, located as shown in the SE 1/4 NW 1/4 of Section 20, T3N, R24E, S.L.B.&M., Daggett County, Utah.

BASIS OF ELEVATION

BENCH MARK LOCATED IN THE NE 1/4 NW 1/4 OF SECTION 28, T3N, R24E, S.L.B.&M. TAKEN FROM THE CLAY BASIN, QUADRANGLE, UTAH, DAGGETT COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS STAMPED AS BEING 6313 FEET.



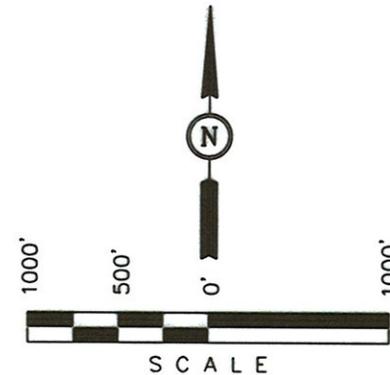
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

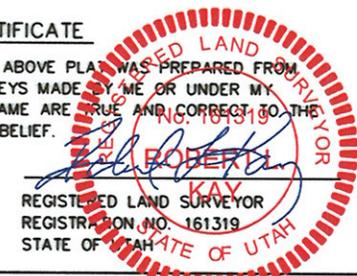
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

| | |
|--|--|
| NAD 83 (SURFACE LOCATION) | |
| LATITUDE = 40°59'11.09" (40.986414) | |
| LONGITUDE = 109°14'10.29" (109.236192) | |
| NAD 27 (SURFACE LOCATION) | |
| LATITUDE = 40°59'11.24" (40.986456) | |
| LONGITUDE = 109°14'07.82" (109.235506) | |



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



REVISED: 09-17-09 L.K.
 REVISED: 12-23-08
 REVISED: 09-23-08

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

| | | | |
|---------|----------------|----------------|-------------|
| SCALE | 1" = 1000' | DATE SURVEYED: | DATE DRAWN: |
| | | 06-25-08 | 07-11-08 |
| PARTY | T.A. C.D. S.L. | REFERENCES | |
| | | G.L.O. PLAT | |
| WEATHER | WARM | FILE | |
| | | WEXPRO COMPANY | |

WEXPRO COMPANY
CLAY BASIN UNIT #69
LOCATED IN DAGGETT COUNTY, UTAH
SECTION 20, T3N, R24E, S.L.B.&M.

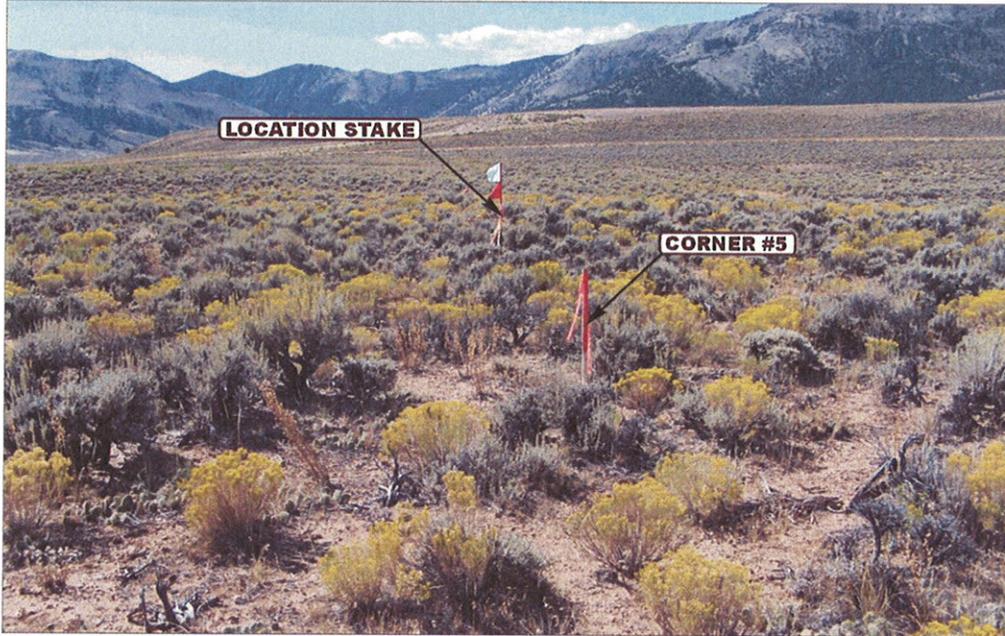


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



• Since 1964 •

UELS

Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

LOCATION PHOTOS

07 15 08
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K. DRAWN BY: J.J. REV: J.H. 09-16-09

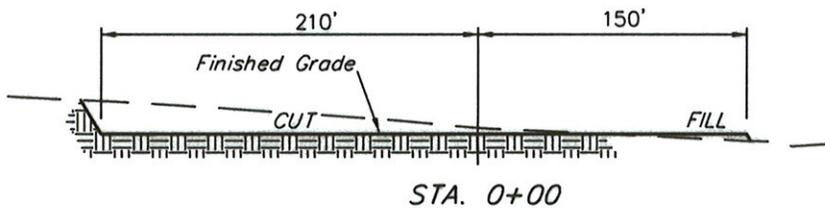
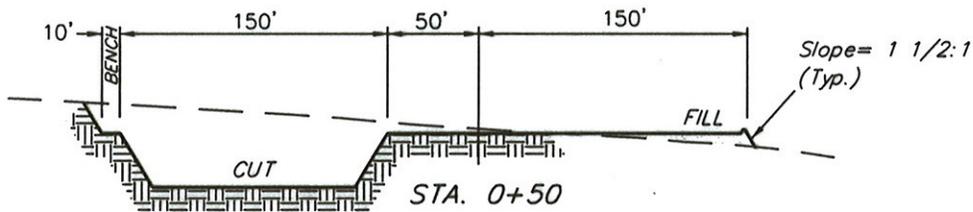
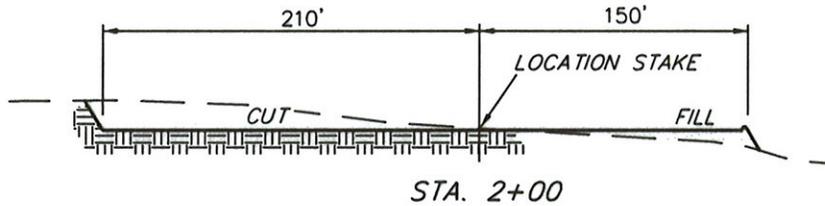
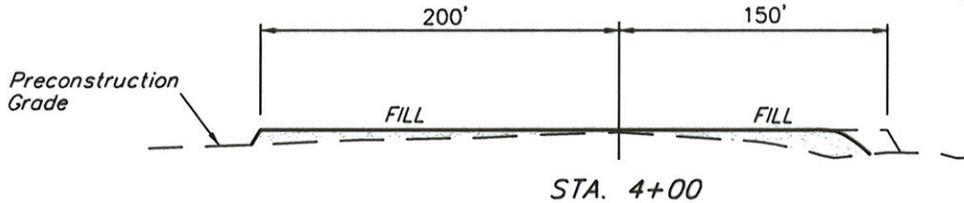
WEXPRO COMPANY

TYPICAL CROSS SECTIONS FOR

CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL

FIGURE #2

X-Section Scale
 1" = 40'
 1" = 100'
 DATE: 09-23-08
 Drawn By: S.L.
 REVISED: 12-23-08
 REVISED: 09-17-09 L.K.



NOTE:
 Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE ACREAGES
 WELL SITE DISTURBANCE = ±4.329 ACRES
 ACCESS ROAD DISTURBANCE = ±0.098 ACRES
 PROPOSED PIPELINE DISTURBANCE = ±0.087 ACRES

* NOTE:
 FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

TOTAL = ±4.514 ACRES

(6") Topsoil Stripping = 2,910 Cu. Yds.
 Remaining Location = 19,500 Cu. Yds.
TOTAL CUT = 22,410 CU.YDS.
FILL = 5,220 CU.YDS.

EXCESS MATERIAL = 17,190 Cu. Yds.
 Topsoil & Pit Backfill = 7,860 Cu. Yds.
 (1/2 Pit Vol.)
 EXCESS UNBALANCE = 9,330 Cu. Yds.
 (After Interim Rehabilitation)

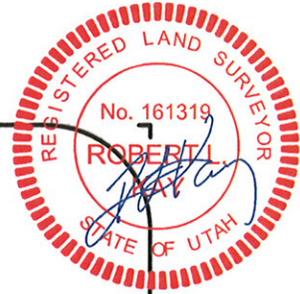
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 85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

WEXPRO COMPANY
TYPICAL RIG LAYOUT FOR

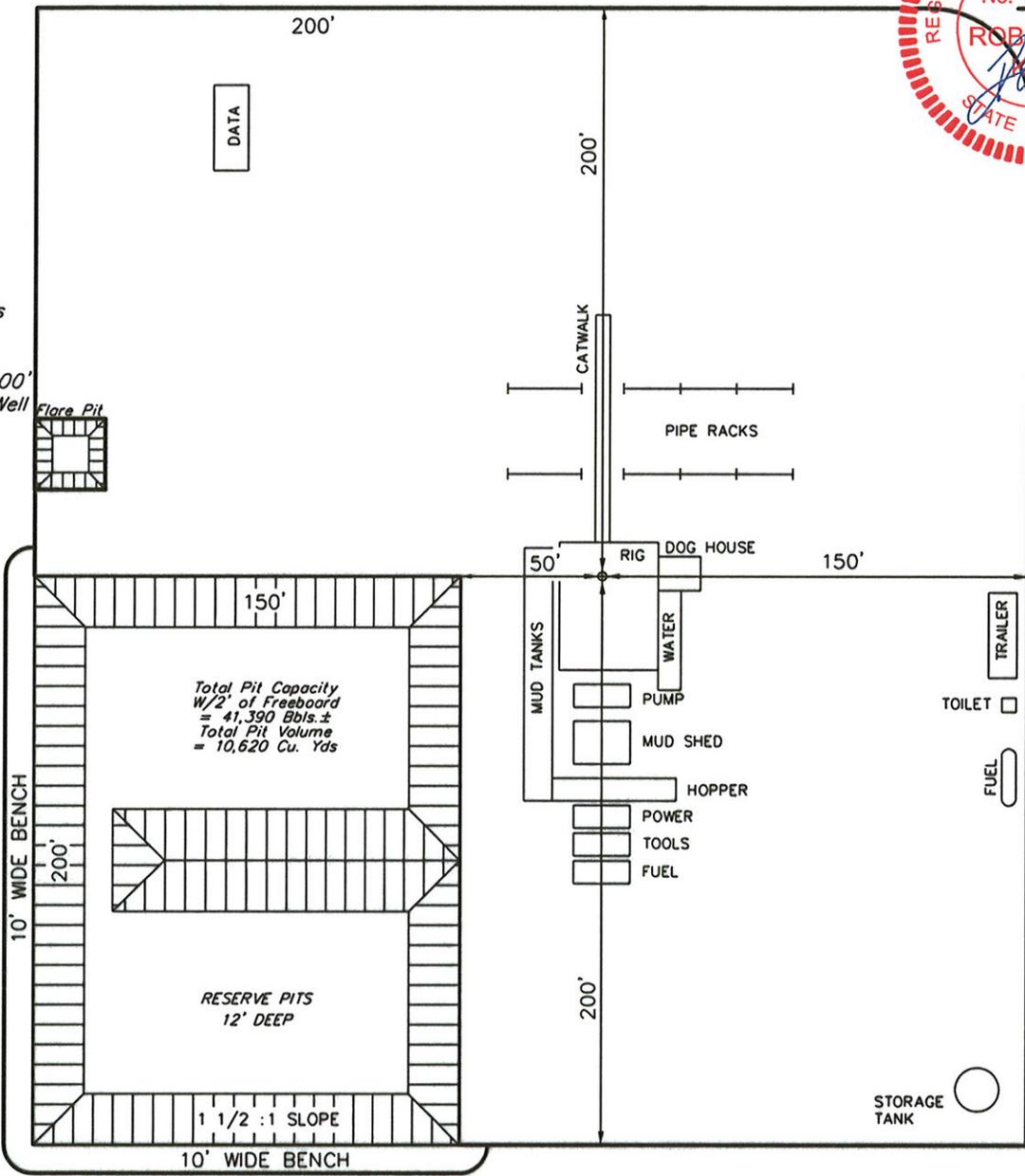
CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL

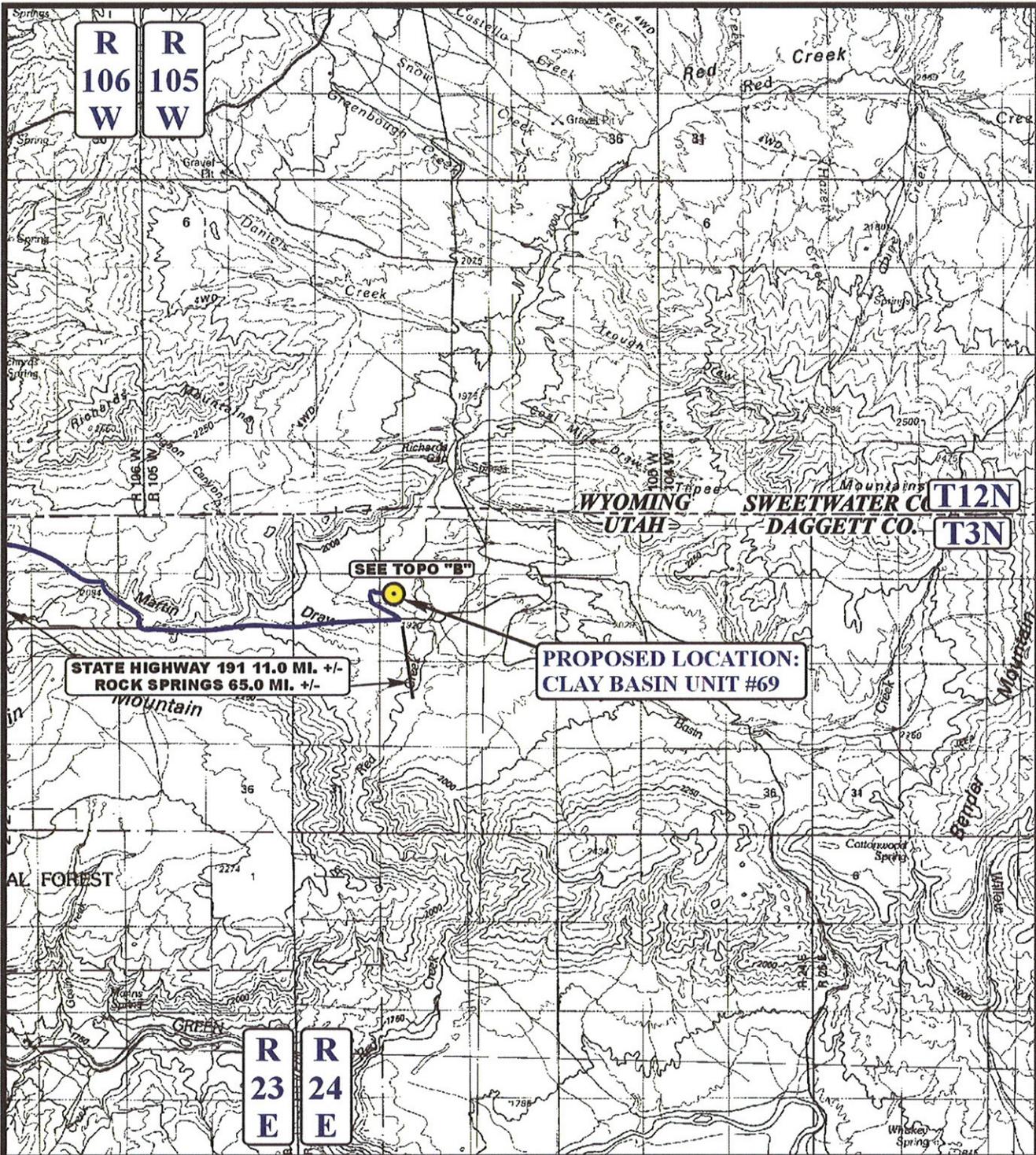
FIGURE #3

SCALE: 1" = 60'
DATE: 09-23-08
Drawn By: S.L.
REVISED: 12-23-08
REVISED: 09-17-09 L.K.



NOTE:
Flare Pit is
to be
located a
min. of 100'
from the Well
Head.





STATE HIGHWAY 191 11.0 MI. +/-
ROCK SPRINGS 65.0 MI. +/-

PROPOSED LOCATION:
CLAY BASIN UNIT #69

SEE TOPO "B"

LEGEND:

 PROPOSED LOCATION



WEXPRO COMPANY

CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL

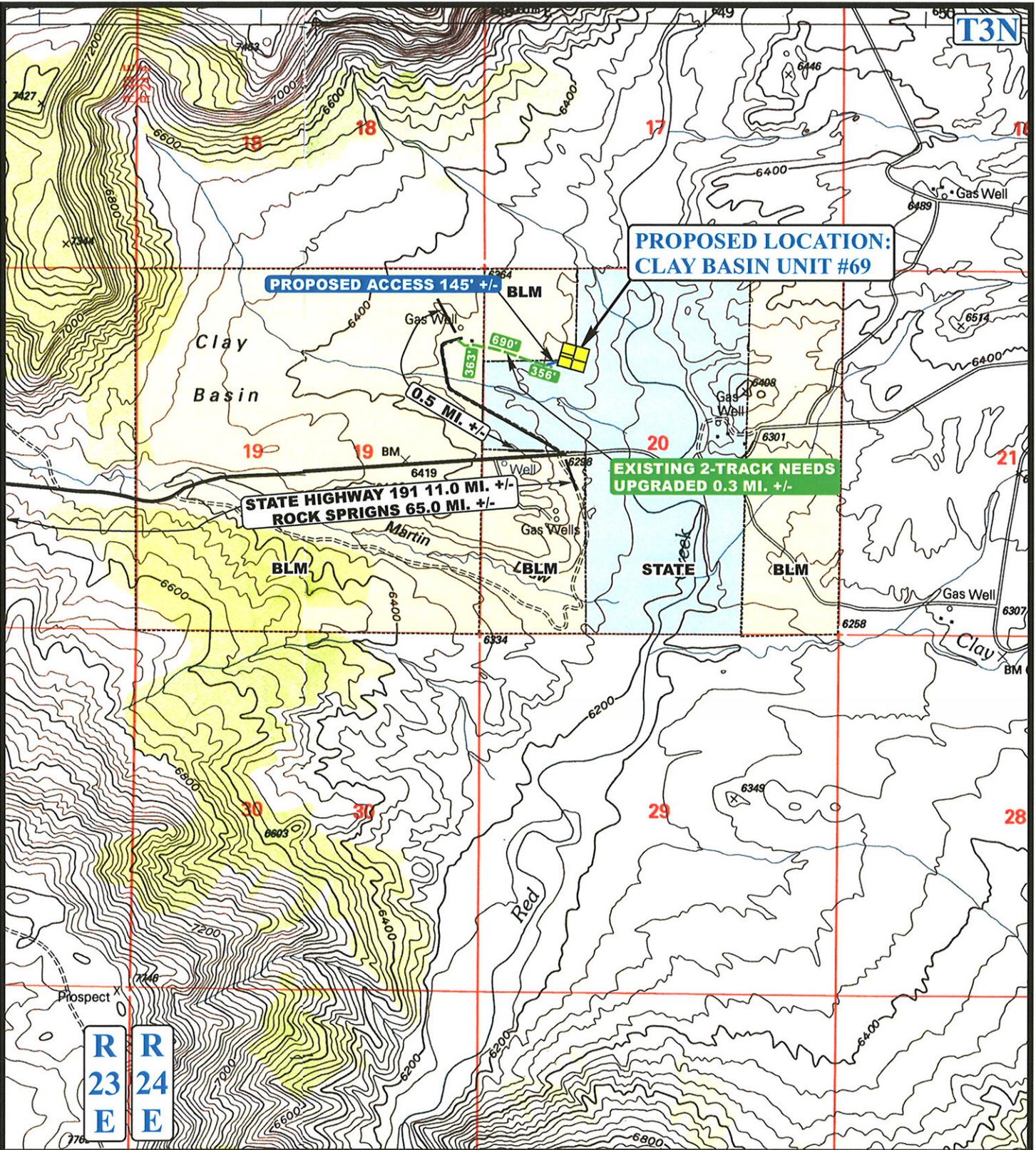


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 07 15 08
MAP MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.J. REV: J.H. 09-16-09





**PROPOSED LOCATION:
CLAY BASIN UNIT #69**

PROPOSED ACCESS 145' +/- BLM

EXISTING 2-TRACK NEEDS UPGRADED 0.3 MI. +/-

**STATE HIGHWAY 191 11.0 MI. +/-
ROCK SPRIGNS 65.0 MI. +/-**

LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED

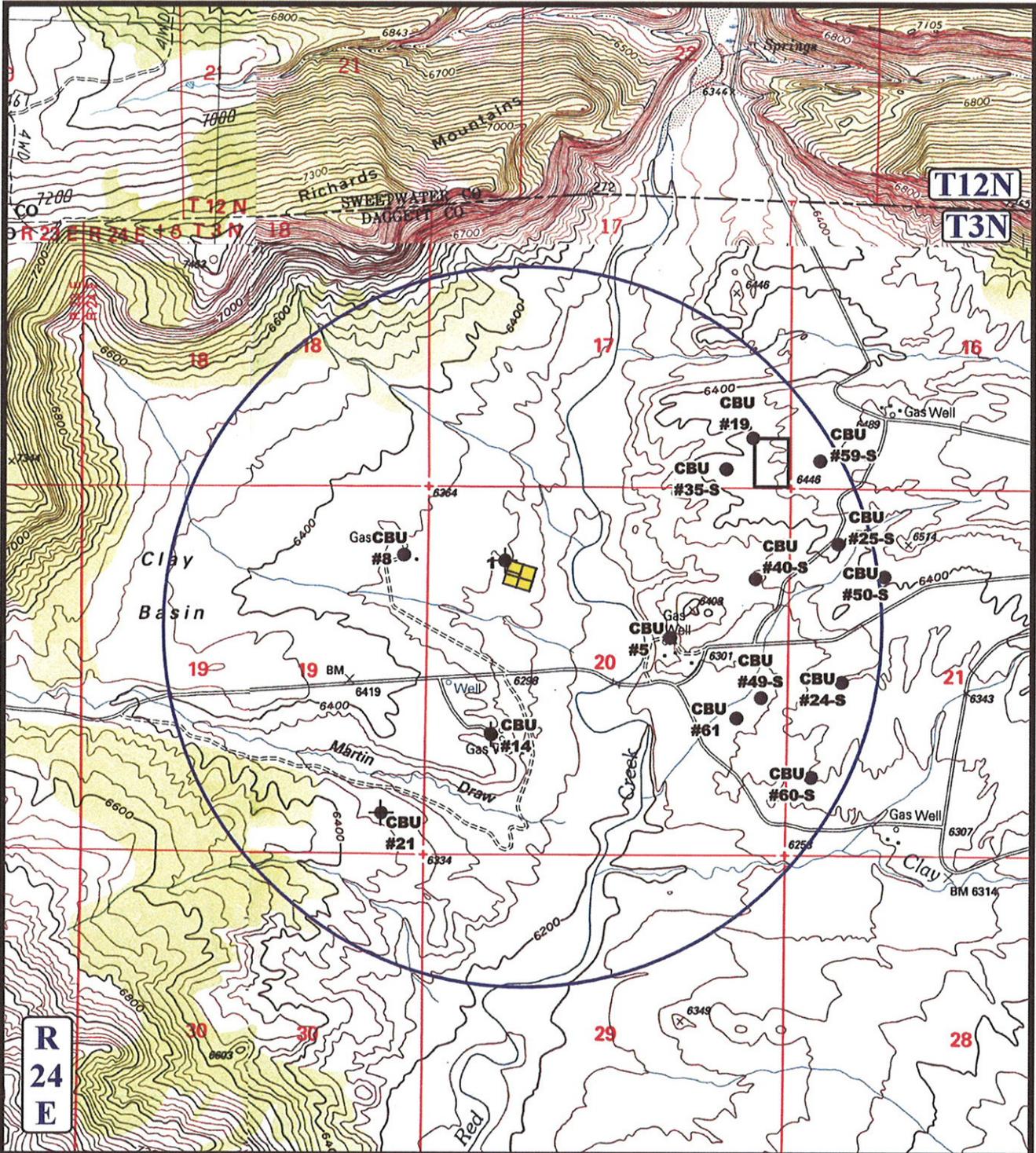


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WEXPRO COMPANY

**CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL**

TOPOGRAPHIC MAP 07 15 08
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.J. REV: J.H. 09-22-09 **B TOPO**



LEGEND:

- ⊘ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊘ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



WEXPRO COMPANY

CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL

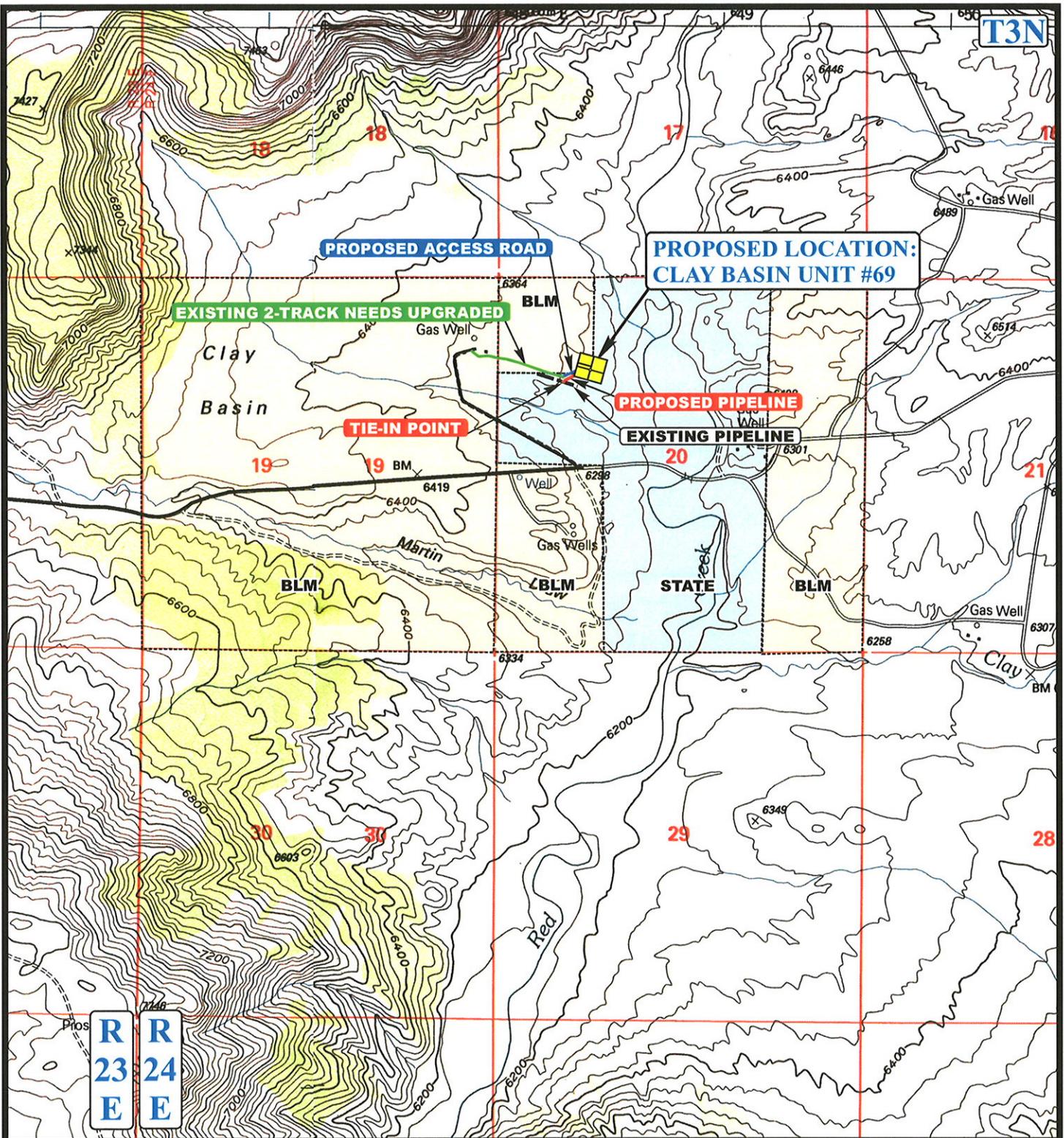


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 85 South 200 East Vernal, Utah 84078
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TOPOGRAPHIC MAP **07 15 08**
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.J. REV: J.H. 09-16-09





APPROXIMATE TOTAL PROPOSED PIPELINE DISTANCE = 126' +/-

LEGEND:

- PROPOSED ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

QUESTAR GAS MANAGEMENT

CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL



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TOPOGRAPHIC
MAP

| | | |
|-----------|-----------|-----------|
| 07 | 15 | 08 |
| MONTH | DAY | YEAR |

SCALE: 1" = 2000' DRAWN BY: J.J. REV: J.H. 09-16-09



**Surface Use and Operations
Wexpro Company
Clay Basin Unit Well No. 69
Daggett County, Utah**

*** The proposed well, pipeline and majority of the access road is located in Section 20, T3N R24E which is Division of Wildlife Resource property and BLM property. A Right-of Way Application has been filed with Stan Bailey, with the State of Utah, Department of Natural Resources.**

1. Existing Road:
 - A. Proposed Well Site as Staked: Refer to well location plat and area map.
 - B. Proposed Access Route: Refer to general area map. All access roads are within the Clay Basin unit boundaries.
 - C. Plans for Improvement and/or Maintenance: All existing roads will be utilized. Approximately 0.3 miles of existing 2-track road will need to be upgraded. Of the 0.3 miles of existing 2-track road, approximately 363' will be on BLM surface within section 19. Approximately 690' will be on BLM surface within section 20 and 356' will be on DWR surface within section 20. Please refer to TOPO B.

2. Planned Access Roads:
 - A. Approximately 145' of new access road will need to be constructed in section 20. The 145' of new access road will all be located on DWR surface. Please refer to TOPO B. The access road will necessitate a 30-foot wide right-of-way (maximum disturbance).
 - B. Maximum grade: Will not exceed 10 percent.
 - C. Turnouts: Water turnouts will be constructed as required to divert runoff water from the road ditch in such a manner as to not cause erosion.
 - D. Location (centerline): Access road has been staked and flagged. Surface disturbance and vehicular travel will be limited to the approved access route, additional area needed will be approved in advance.
 - E. One 18" CMP is required where the access road enters the location.
 - F. Surface materials: Surface materials will be obtained from cuts along the access

road and location. Spot surfacing may be required to maintain the running surface. In the event that conditions should necessitate graveling, of all or part of the access road and location, surfacing materials will be purchased from commercial suppliers in the marketing area. Gravel will be supplied from the Searle Brothers Gravel Pit #5, SE NW 29-19N-111W, Sweetwater County, Wyoming, unless otherwise approved in a Sundry Notice.

- G. Topsoil (approximately 6-inches) removed in conjunction with road construction will be spread in the borrow ditches or windrowed to the side. Borrow areas will be seeded as discussed in reclamation procedures.
- 4. Location of Existing Wells: Refer to area map for the location of existing wells within a one-mile radius.
- 5. Location of Existing and/or Proposed Facilities: Refer to area maps. Facilities will be installed as detailed on the attached diagram.

Electronic Flow Measurement will be installed to measure the gas production associated with this well.

All permanent (onsite for six months or longer) structures constructed or installed will be painted Covert Green, a flat, non-reflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities are required to comply with Occupational Safety and Health Act will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 110% of the largest storage tank.

All loading lines will be placed inside the berm surrounding the tank battery.

In Utah, the process of obtaining an air permit for a well site begins when Wexpro submits a Notice of Intent letter to the Utah Division of Air Quality (UDAQ) describing the air emission sources at the site. Best Available Control Technology (BACT) will be evaluated and considered on any activity that emits an air contaminant. If required, emission control equipment will be installed according to the Utah Administrative Code's most recent version of Title R307 for Air Quality. The UDAQ will review and issue an Approval Order that includes all permit conditions. The timing to evaluate and issue the Approval Order generally takes 4-6 months. If emission levels at a well site are less than 5 tons per year of criteria pollutants, the site is exempt from permitting.

The EPA has primary jurisdiction for Tribal Lands within the Uinta Basin. On Tribal Land, a permit is not required if the criteria pollutant emissions is less than 100 tons per year. A well site typically has less than 100 tons per year of criteria pollutants and is

therefore exempt from permitting.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

Pipeline

The proposed pipeline will be constructed and operated by Questar Gas Management Company. The proposed pipeline will be approximately 126' in length. The proposed surface pipeline will be 3.5" O.D., Grade B or X-42 with a 0.188-inch wall thickness. The width of the right-of-way requested is 50 feet for construction and will revert to 30 feet for operation and maintenance purposes. The surface pipeline will be natural in color and the buried pipeline will be wrapped.

The maximum operating pressure that the natural gas pipeline is designed for is 1170 psig. Associated facilities include above ground valves and piping at the lateral junctions.

5. Location and Type of Water Supply: Water will be hauled by tank trucks from the town of Rock Springs WY, Dutch John UT, or from Red Creek (Temporary Application Number 41-3640, T78128). Water may also come from additional locations as per approval from Daggett County.
6. Source of Construction Materials: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate or free water will be transferred to other reserve pits, within the unit for drilling purposes. The fence will be maintained until restoration. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to a water tank/blow down tank.

The reserve pit will be lined with a 16 mil or thicker plastic nylon reinforced liner. If rock is encountered felt or straw may be used to prevent puncturing, ripping or tearing of the liner.

8. Ancillary Facilities: Camp facilities will not be required.

9. Wellsite Layout: Refer to drawing

Diversion ditches and erosion control devices are one example of structural best management practices (BMP) used for erosion and sediment control. Diversion ditches will be constructed to direct run off away from unprotected slopes and to direct sediment laden runoff to a sediment trapping structure.

Typically, perimeter storm water controls are installed during clearing and grading of the well pad or immediately after construction. A third party or company representative will then select and install additional best management practice (BMP) storm water controls. BMP's will be evaluated and modified, if necessary, following reclamation. Please refer to the most recent Storm Water Pollution Prevention Plan, submitted under separate cover for the Clay Basin Unit for specific BMP's.

10. Plans for Restoration of the Surface:

During construction, all woody vegetation and the top six inches of topsoil material will be removed from the pad and stockpiled separately. All pits will remain fenced until cleanup begins. Overhead flagging will be installed if oil is in the mud pit.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, trash and materials not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

The reserve pit will be backfilled as soon as possible, within one year after drilling and completion as per the Wyoming Oil & Gas Commission regulations. If the pit is not dry the water will be mechanically evaporated or hauled to an approved disposal pit, and interim reclamation will take place.

The portion of the access road not needed for production access will be reclaimed in conjunction with the well pad. During construction topsoil is stripped and moved to the exterior of the 30' right of way. Any disturbance outside of the borrow ditch will have topsoil spread across the area for reclamation. Road base will be pulled up from the 30' right-of-way below topsoil and used to build up and crown the road. Gravel will be hauled in by contractor for additional road base if needed. The topsoil will be spread over the backside of the borrow ditch and seed will be distributed from the back side of the borrow ditch (bottom of ditch) to the end of the right-of-way where disturbance has occurred. The reclaimed area of the access road will be reseeded with the same seed mixture as the well pad, listed below.

Interim reclamation will consist of all unused portions of the location, up to the “dead men” being re-contoured to blend with the surrounding terrain, the location ripped, top soil spread and all areas of disturbance, not required for operation or fire control, will be reseeded with the seed mixture below.

| SPECIES | lbs. PLS/acre |
|-------------------------|------------------------|
| Siberian Wheatgrass | 3 lbs PLS/acre |
| Indian Ricegrass | 1 lbs PLS/acre |
| Crested Wheatgrass | 3 lbs PLS/acre |
| Thickspike Wheatgrass | 3 lbs PLS/acre |
| Intermediate Wheatgrass | 3 lbs PLS/acre |
| Alfalfa | 1 lbs PLS/acre |
| Forage Kochia | 1/2 lbs PLS/acre |
| Wyoming Big Sage | 1/2 lbs PLS/acre |
| TOTAL | 15 lbs PLS/acre |

The Wyoming Big Sage Brush will be broadcast after the drill seeding of all other species. Where drilling is not possible a broadcast/rake method will be used doubling the seed mixture.

11. Surface and Mineral Ownership: Surface ownership along the access road is DWR/BLM (Section 20) and BLM (Section 19). Surface ownership at the well site is DWR/BLM. A Right-of-Way (ROW) Application has been submitted to the “Utah Department of Natural Resources, Division of Wildlife Resources”. Minerals are Fee.
12. Other Information: Anna Figueroa of the Bureau of Land Management, Vernal Field Office in Vernal, Utah along with the Division of Wildlife Resources will be notified at least 48-hours prior to commencement of both construction and reclamation operations.

A Class III Cultural Resource Inventory has been completed and the report forwarded to the Bureau of Land Management.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

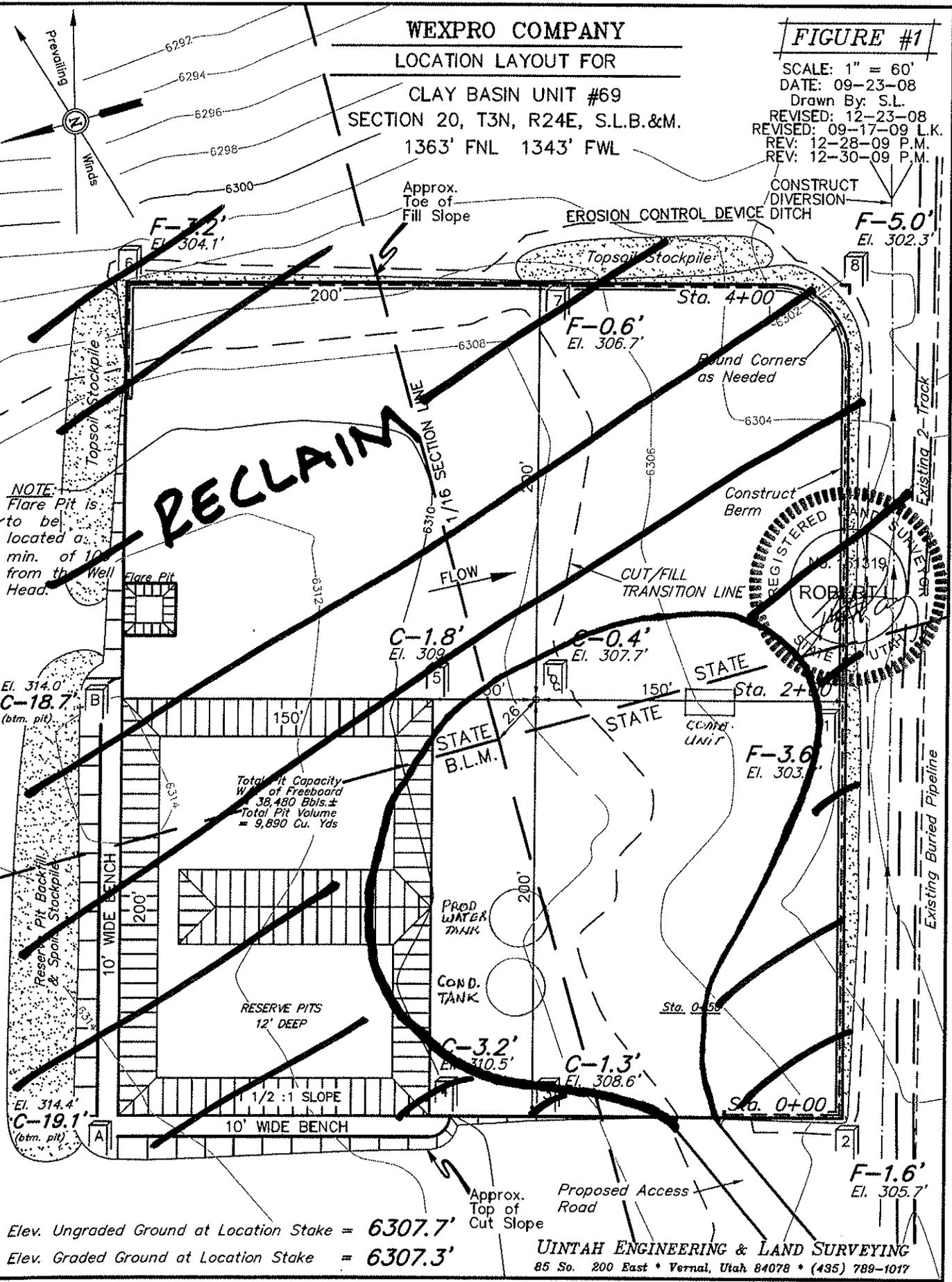
WEXPRO COMPANY

LOCATION LAYOUT FOR

CLAY BASIN UNIT #69
SECTION 20, T3N, R24E, S.L.B.&M.
1363' FNL 1343' FWL

FIGURE #1

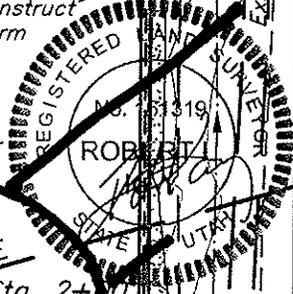
SCALE: 1" = 60'
DATE: 09-23-08
Drawn By: S.L.
REVISED: 12-23-08
REVISED: 09-17-09 L.K.
REV: 12-28-09 P.M.
REV: 12-30-09 P.M.



RECLAIM

NOTE: Flare Pit is to be located a min. of 10' from the Well Head.

Total Pit Capacity
W/ 1' of Freeboard
= 38,480 Bbls. ±
Total Pit Volume
= 9,890 Cu. Yds



Elev. Ungraded Ground at Location Stake = 6307.7'
Elev. Graded Ground at Location Stake = 6307.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



Wexpro Company

1955 Blairtown Road
P. O. Box 458
Rock Springs, WY 82902
Tel 307-922-5647
Fax 307-352-7575

Paul Jibson
Associate Permit Agent

August 4, 2009

Utah Oil and Gas
P.O. Box 145801
Salt Lake City, UT 84114-5801

Regarding: Clay Basin 69 APD, Right-of-Way Application

To Whom It May Concern:

With the Surface Ownership at the well site being Division of Wildlife Resources, a Right-of-Way Application has been submitted to the "Utah Department of Natural Resources, Division of Wildlife Resources". Stan Bailey with the Department of Natural Resources has been Wexpro's contact person. Stan Bailey can be reached at 801-538-4712.

If you require further information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Paul Jibson".

Paul Jibson
Associate Permit Agent
Office # (307) 922-5657
Cell # (801) 755-0071
Paul.Jibson@Questar.com



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>

IN REPLY REFER TO
3160
UTG011

August 20, 2009

Paul Jibson
Wexpro Company
PO Box 458
Rock Springs, WY 82902

1855
43 009 50001
Re: Request to Return APD
Well No. Clay Basin Unit 69
SENW, Sec. 20, T3N, R24E
Daggett County, Utah
Lease No. Fee
Clay Basin Unit

Dear Mr. Jibson:

The Application for Permit to Drill (APD) for the above referenced well received February 23, 2009 is being returned unapproved/unaccepted per your request in an email message to Administrative Assistant Marta Call dated August 19, 2009. A new duplicate State of Utah APD was received on this office on August 17, 2009; the well is located on fee minerals and DWR state surface. This APD will be "Accepted by BLM for Unit Purposes Only" after the State of Utah Approval is granted.

If you have any questions regarding APD processing, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

Enclosures

cc: UDOGM

RECEIVED

AUG 27 2009

DIV. OF OIL, GAS & MINING

Lessee's or Operators Representative and Certification:

G. T. Nimmo, Operations Manager, P. O. Box 458, Rock Springs, Wyoming 82902,
Telephone number (307) 922-5612.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Wexpro Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that Wexpro Company is considered to be the operator of Clay Basin Unit Well No. 69; SE ¼, NW ¼, Section 20, Township 3N, Range 24E; Lease= Fee, Daggett County; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Bond ESB000024, Nationwide Bond No. 965002976

Date: _____

01/07/10

Name _____

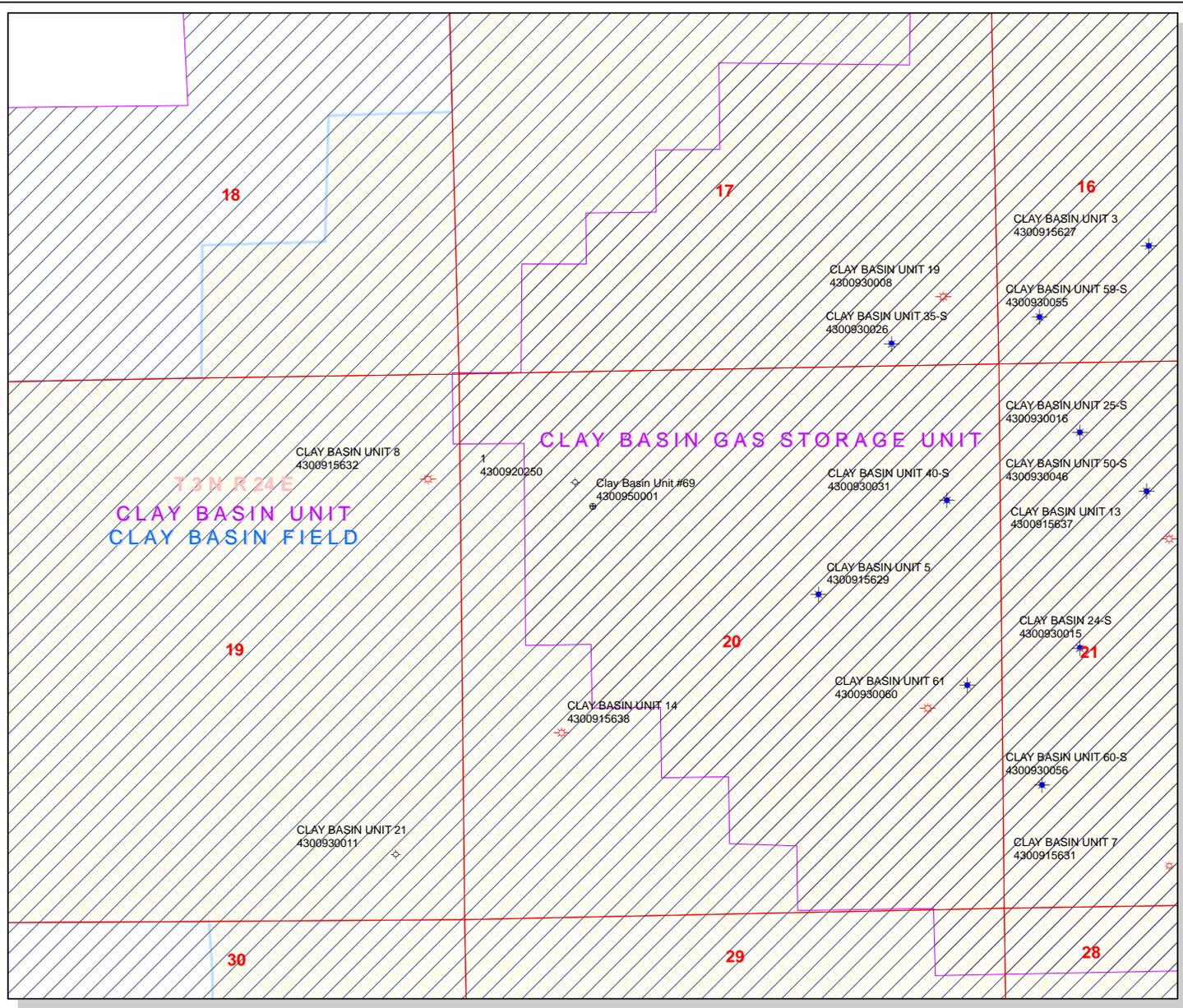
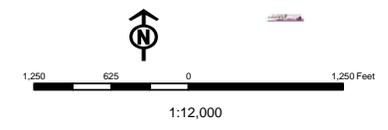


G. T. Nimmo, Operations Manager

API Number: 4300950001
Well Name: Clay Basin Unit #69
Township 03.0 N Range 24.0 E Section 20
Meridian: SLBM
 Operator: WEXPRO COMPANY

Map Prepared:
 Map Produced by Diana Mason

| | |
|---------------|------------------------------------|
| Units | Wells Query |
| STATUS | ✕ - all other values |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRL - Spudded (Drilling Commenced) |
| GAS STORAGE | GIW - Gas Injection |
| NF PP OIL | GS - Gas Storage |
| NF SECONDARY | LA - Location Abandoned |
| PI OIL | LOC - New Location |
| PP GAS | OPS - Operation Suspended |
| PP GEOTHERML | PA - Plugged Abandoned |
| PP OIL | PGW - Producing Gas Well |
| SECONDARY | POW - Producing Oil Well |
| TERMINATED | RET - Returned APD |
| Fields | SGW - Shut-in Gas Well |
| Unknown | SOW - Shut-in Oil Well |
| ABANDONED | TA - Temp. Abandoned |
| ACTIVE | TW - Test Well |
| COMBINED | WDW - Water Disposal |
| INACTIVE | WWI - Water Injection Well |
| STORAGE | WSW - Water Supply Well |
| TERMINATED | |
| Sections | |
| Township | |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

January 25, 2010

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2010 Plan of Development Clay Basin Unit,
Daggett County, Utah and Sweetwater County
Wyoming.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well's location has changed. Please see our memo dated August 14, 2009 for the previous location. The well is planned for calendar year 2010.

(Proposed PZ FRONTIER)

43-009-50001 Clay Basin Unit #69 Sec 20 T03N R24E 1363 FNL 1343 FWL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Clay Basin Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-25-10



Wexpro Company

180 East 100 South

P.O. Box 45601

Salt Lake City, UT 84145-0601

Tel 801 324 2600 • Fax 801 324 2637

January 18, 2010

APIWellNo:430095000010000

Ms. Diane Mason
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Re: Request for Exception Location: Clay Basin Unit Well #69
SURFACE: 1363' FNL, 1343' FWL, SE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 20, T3N, R24E, SLB&M
BOTTOM HOLE: SAME
Lease No. FEE

Dear Ms. Mason:

In accordance with R649-3-3, Wexpro Company ("Wexpro") respectfully requests administrative approval for an exception location for the Clay Basin Unit Well #69. As reflected on the plats included with the previously-filed Application for Permit to Drill ("APD"), the captioned well is to be drilled from a surface location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 20 to a proposed bottom hole location of 1363' FNL and 1343' FWL in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 20. All of Section 20 is committed to the Clay Basin Unit which is a Federal Exploratory Unit with Wexpro currently serving as the Unit Operator for the Unit.

Ownership within 460' of the entire length of the proposed wellbore is owned 100% by Wexpro, thereby not requiring the approval of other parties for our intended operation.

We respectfully request the Division of Oil, Gas and Mining approve the APD as described in this letter. Should you have any questions, please call me at 801-324-5938.

Sincerely,

Wexpro Company

By:


Jonathan M. Duke

Coordinator: Contracts and Land

cc: Bureau of Land Management
Paul Jibson – Wexpro Company
Frank Nielsen – Questar Exploration and Production Company

BOPE REVIEW WEXPRO COMPANY Clay Basin Unit #69 43009500010000

| | | | |
|---|---|-------|--|
| Well Name | WEXPRO COMPANY Clay Basin Unit #69 43009500010000 | | |
| String | Surf | Prod | |
| Casing Size(") | 9.625 | 4.500 | |
| Setting Depth (TVD) | 500 | 5640 | |
| Previous Shoe Setting Depth (TVD) | 60 | 500 | |
| Max Mud Weight (ppg) | 8.4 | 10.0 | |
| BOPE Proposed (psi) | 500 | 3000 | |
| Casing Internal Yield (psi) | 3520 | 12410 | |
| Operators Max Anticipated Pressure (psi) | 2442 | 8.3 | |

| | | | |
|--|--|--------------|--|
| Calculations | Surf String | 9.625 | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | 218 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | 158 | YES diverter bowl |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | 108 | YES OK |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | 121 | NO Reasonable |
| Required Casing/BOPE Test Pressure= | | 500 | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | 60 | psi *Assumes 1psi/ft frac gradient |

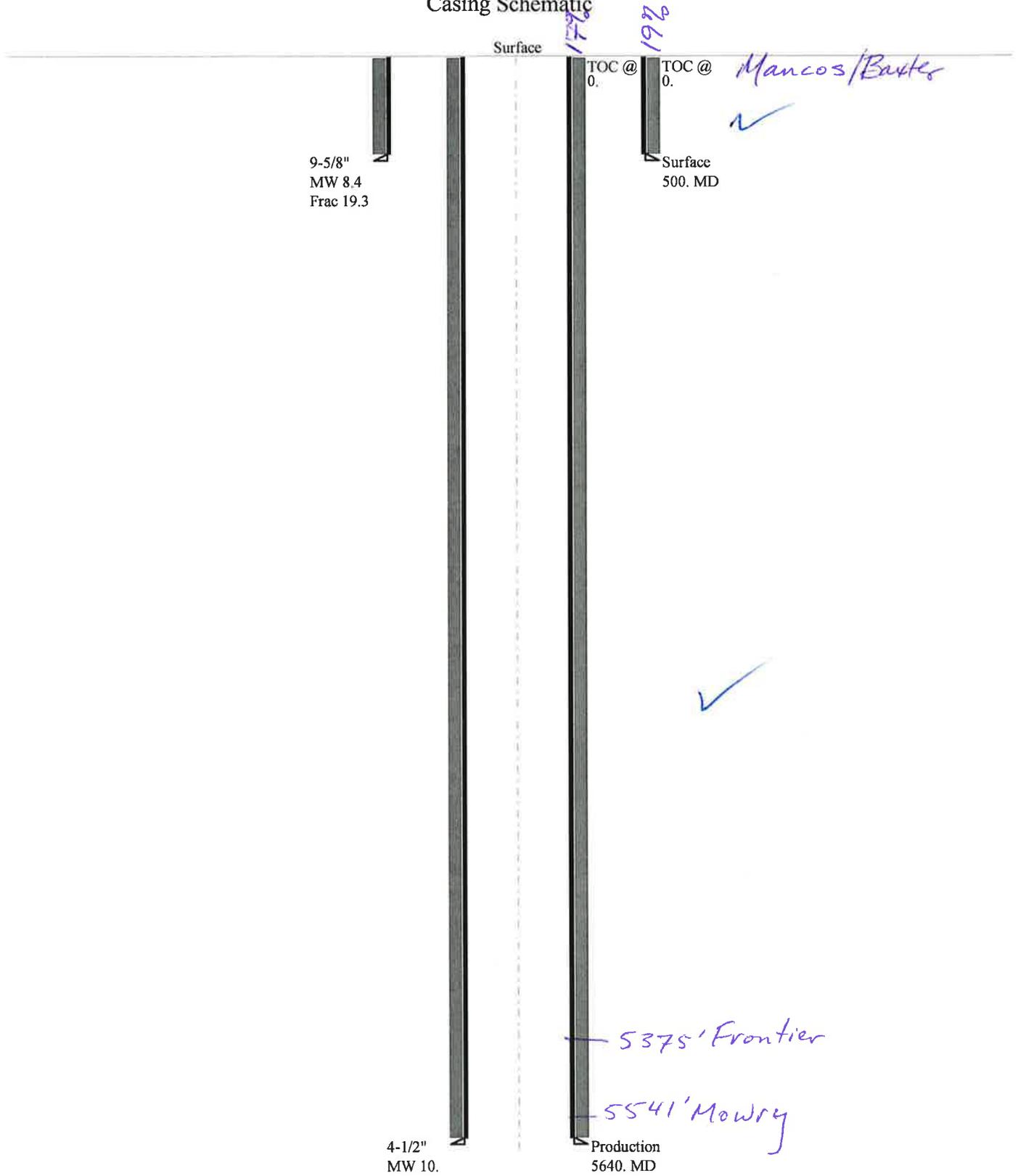
| | | | |
|--|--|--------------|--|
| Calculations | Prod String | 4.500 | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | 2933 | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | 2256 | YES |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | 1692 | YES OK |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | 1802 | NO Reasonable |
| Required Casing/BOPE Test Pressure= | | 3000 | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | 500 | psi *Assumes 1psi/ft frac gradient |

| | | | |
|--|--|--|--|
| Calculations | String | | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | | NO |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | | NO |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | | NO |
| Required Casing/BOPE Test Pressure= | | | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | | psi *Assumes 1psi/ft frac gradient |

| | | | |
|--|--|--|--|
| Calculations | String | | " |
| Max BHP (psi) | $.052 * \text{Setting Depth} * \text{MW} =$ | | |
| | | | BOPE Adequate For Drilling And Setting Casing at Depth? |
| MASP (Gas) (psi) | $\text{Max BHP} - (0.12 * \text{Setting Depth}) =$ | | NO |
| MASP (Gas/Mud) (psi) | $\text{Max BHP} - (0.22 * \text{Setting Depth}) =$ | | NO |
| | | | *Can Full Expected Pressure Be Held At Previous Shoe? |
| Pressure At Previous Shoe | $\text{Max BHP} - .22 * (\text{Setting Depth} - \text{Previous Shoe Depth}) =$ | | NO |
| Required Casing/BOPE Test Pressure= | | | psi |
| *Max Pressure Allowed @ Previous Casing Shoe= | | | psi *Assumes 1psi/ft frac gradient |

43009500010000 Clay Basin Unit #69

Casing Schematic



| | | | |
|--------------|---|-------------|--------------|
| Well name: | 43009500010000 Clay Basin Unit #69 | | |
| Operator: | WEXPRO COMPANY | | |
| String type: | Surface | Project ID: | 43-009-50001 |
| Location: | DAGGETT COUNTY | | |

Design parameters:

Collapse

Mud weight: 8.400 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 74 °F
 Bottom hole temperature: 81 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 100 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 440 psi
 Internal gradient: 0.120 psi/ft
 Calculated BHP 500 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.60 (B)

Tension is based on air weight.
 Neutral point: 438 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,640 ft
 Next mud weight: 10.000 ppg
 Next setting BHP: 2,930 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 500 ft
 Injection pressure: 500 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Est. Cost (\$) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1 | 500 | 9.625 | 36.00 | J-55 | LT&C | 500 | 500 | 8.796 | 4088 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (kips) | Tension Strength (kips) | Tension Design Factor |
| 1 | 218 | 2020 | 9.260 | 500 | 3520 | 7.04 | 18 | 453 | 25.17 J |

Prepared by: Helen Sadik-Macdonald
 Div of Oil, Gas & Mining

Phone: 801 538-5357
 FAX: 801-359-3940

Date: February 8, 2010
 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 500 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

| | | | |
|--------------|---|-------------|--------------|
| Well name: | 43009500010000 Clay Basin Unit #69 | | |
| Operator: | WEXPRO COMPANY | | |
| String type: | Production | Project ID: | 43-009-50001 |
| Location: | DAGGETT COUNTY | | |

Design parameters:

Collapse

Mud weight: 10.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 74 °F
Bottom hole temperature: 153 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,000 ft

Burst:

Design factor 1.00

Cement top: Surface

Burst

Max anticipated surface pressure: 1,689 psi
Internal gradient: 0.220 psi/ft
Calculated BHP 2,930 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 4,808 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Est. Cost (\$) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1 | 5640 | 4.5 | 13.50 | P-110 | LT&C | 5640 | 5640 | 3.795 | 31603 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (kips) | Tension Strength (kips) | Tension Design Factor |
| 1 | 2930 | 10680 | 3.645 | 2930 | 12410 | 4.24 | 76.1 | 338 | 4.44 J |

Prepared by: Helen Sadik-Macdonald
Div of Oil, Gas & Mining

Phone: 801 538-5357
FAX: 801-359-3940

Date: February 8, 2010
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 5640 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

| | | | | | |
|--------------------------|---------------------|----------------------|--------------------------------|-------------------|--------------|
| Operator | WEXPRO COMPANY | | | | |
| Well Name | Clay Basin Unit #69 | | | | |
| API Number | 43009500010000 | APD No | 1855 | Field/Unit | CLAY BASIN |
| Location: 1/4,1/4 | SENW | Sec | 20 | Tw | 3.0N |
| | | Rng | 24.0E | 1363 | FNL 1343 FWL |
| GPS Coord (UTM) | | Surface Owner | Division of Wildlife Resources | | |

Participants

October 13, 2009 (second on-site meeting)—Chris Kierst (DOGM), Mark Reinbold (DOGM), Paul Jibson (Wexpro), and Alex Hansen (Division of Wildlife Resources).

Regional/Local Setting & Topography

The Clay Basin Gas field is located at the southern edge of the Green River Basin. The field is currently used by Questar primarily for gas storage in the Dakota Sandstone (lower Cretaceous). The proposed Clay Basin #69 well, which targets the Frontier Formation (upper Cretaceous) for gas production, is near the western end of the existing Clay Basin field. The proposed location is on property owned by the Utah Department of Natural Resources, Division of Wildlife Resources. It is located about 9 miles (as the crow flies) east-northeast of Dutch John, Daggett County, Utah. The initially proposed well site (evaluated on August 26, 2009) was on a low terrace adjacent to floodplain of Red Creek and was judged at the on-site meeting to be unsuitable. Wexpro subsequently submitted a revised site location, which was evaluated at the October 13, 2009, on-site meeting and was judged suitable. Several intermittent streams, including Martin Draw from the west and Clay Basin Creek from the east, drain into Red Creek, which flows across the area from north to south. Red Creek empties into the Green River about six miles south of the site. Clay Basin is formed by a structural anticline with an east-west axis, but it is eroded to form a topographic basin. The basin has relatively gentle slopes, but it is ringed on all sides by more steeply sloping topography. Within the topographic basin, elevations typically range between 6200 and 6800 feet. The location is on the north flank of the Uinta Mountains and appears to be just north of the north flank fault system. Precambrian rocks of the Uinta Mountains are exposed at the surface about two miles or less to the south and southwest

Surface Use Plan

Current Surface Use

Grazing
Wildlfe Habitat

| | | | |
|-----------------------|-----------------------------|---------------------------|--------------------------|
| New Road Miles | Well Pad | Src Const Material | Surface Formation |
| | Width 350 Length 400 | Onsite | ALLU |

Ancillary Facilities N

Waste Management Plan Adequate? Y

Environmental Parameters

Affected Floodplains and/or Wetlands N

Revised site location is well above floodplain of Red Creek.

Flora / Fauna

Flora include sagebrush, greasewood, halogeton, pepperweed, rabbit brush, prickly pear (pinon and juniper at nearby higher elevations). Fauna include antelope, elk, deer, coyotes, prairie dogs, raptors (no active nests). (Information provided by Alex Hansen of DWR).

Soil Type and Characteristics

Sandy, silty, moderate to good permeability.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Location is on relatively level ground, well above level of floodplain.

Drainage Diversion Required? Y

Precipitation will be deflected around location with diversion ditches on south and east sides.

Berm Required? Y

During drilling there will be berms around the facilities.

Erosion Sedimentation Control Required? N

Paleo Survey Run? N **Paleo Potential Observed?** N **Cultural Survey Run?** **Cultural Resources?** Y

Reserve Pit

| Site-Specific Factors | Site Ranking | |
|--|---------------------|---------------------------|
| Distance to Groundwater (feet) | 100 to 200 | 5 |
| Distance to Surface Water (feet) | >1000 | 0 |
| Dist. Nearest Municipal Well (ft) | >5280 | 0 |
| Distance to Other Wells (feet) | >1320 | 0 |
| Native Soil Type | Mod permeability | 10 |
| Fluid Type | Fresh Water | 5 |
| Drill Cuttings | Normal Rock | 0 |
| Annual Precipitation (inches) | 10 to 20 | 5 |
| Affected Populations | | |
| Presence Nearby Utility Conduits | Present | 15 |
| | Final Score | 40 1 Sensitivity Level |

Characteristics / Requirements

CHARACTERISTICS: Dugout earthen pit. 200' X 150' X 12'(As per APD).

LINER REQUIREMENTS : Minimum requirement is a 12 mil synthetic liner. As per APD, a 16 mil or thicker, nylon-reinforced plastic liner will be used.

Closed Loop Mud Required? N **Liner Required?** Y **Liner Thickness** 16 **Pit Underlayment Required?** N

Other Observations / Comments

PRESITE MEETINGS/PARTICIPANTS:

August 26, 2009 (first on-site meeting)--Chris Kierst(DOGM), Mark Reinbold (DOGM), Paul Jibson (Wexpro), Bill Davey (Wexpro), Kelly Reyos (Questar Gas Management), Troy Gale (Questar Pipeline), Pat Rainbolt (Division of Wildlife Resources), and Alex Hansen (Division of Wildlife Resources). Daggett County was contacted prior to the meeting, but no representative was available to attend the on-site meeting.

October 13, 2009 (second on-site meeting)—Chris Kierst (DOGM), Mark Reinbold (DOGM), Paul Jibson (Wexpro), and Alex Hansen (Division of Wildlife Resources).

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 350' X 400' pad with inboard 200' X 150' X 12' pit. Cut and fill margins will expand the pad area slightly and there will be sufficient room for topsoil and pit material storage along the east and west edges of the location. Approximately 0.3 mile of existing 2-track road will need to be upgraded. This will include 363' on BLM surface in Section 19, 690' on BLM surface in Section 20, and 356' on DWR surface in Section 20. 145' of new road, all on DWR surface, will be constructed in Section 20. The access road will require a 30-foot wide right-of-way (maximum disturbance). One 18" corrugated metal pipe (CMP) is required where the access road enters the location.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: There are 8 active gas storage wells, 4 shut-in gas wells, and 2 abandoned wells within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: During drilling there will be berms around the facilities, but after drilling, berms will no longer be needed. There is an existing pipeline just off the location, along the two-track road. It will be necessary to build a feeder pipeline, approximately 126 feet in length, from the Clay Basin #69 well to the existing pipeline. There will be no need to move the existing pipeline.

SOURCE OF CONSTRUCTION MATERIAL: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease. Gravel will be hauled from Rock Springs, Wyoming.

ANCILLARY FACILITIES: N/A

WASTE MANAGEMENT PLAN: Portable sewage facilities will be utilized for disposal of human waste. Garbage and other waste material will be placed in a trash cage, the contents of which will be disposed in the nearest legal landfill. Any produced liquids will be contained in test tanks and hauled out by tank trucks. Cuttings and drilling fluids will be placed in a lined mud pit, which will be constructed with at least one half of its holding capacity below ground level.

AFFECTED FLOODPLAINS AND/OR WETLANDS: The initially proposed well location was near the edge of a low terrace, adjacent to the modern floodplain of Red Creek. The location was only 20-25 feet above the normal creek level and was about 350 feet horizontally from the creek (as determined from a recent aerial photograph). Both state agency and company participants expressed concern that the location might be on unstable ground and that it would likely be undermined by flash flooding. Troy Gale (Questar Pipeline) indicated that he had seen Red Creek in flood stage in 1987, essentially filling the entire width of the present day floodplain. That would place floodwater very close to the originally proposed well location. Based on this consensus opinion, Wexpro proposed a revised location, which was reviewed at the October 13 on-site meeting. The new location is located 1250 northwest of the initial location and is on an older, higher alluvial terrace, farther from the modern floodplain. This location is about 1050 feet west of the present creek channel (as determined from the aerial photograph) and is at an elevation of 6308 feet, which is about 80 feet higher than the creek at its nearest point. The new location should have a more stable surface and will help to maintain the quality of groundwater and minimize damage to wildlife habitat.

SURFACE FORMATION & CHARACTERISTICS: State agency mapping indicates that the currently staked well location is situated on a terrace of older alluvium called the Younger North Flank Piedmont Alluvium. (Higher alluvial terraces are still older). It consists of unconsolidated to poorly consolidated, poorly sorted sand, gravel, cobbles, and boulders. The soil profile is poorly-developed to well-developed. There are caliche coatings on clasts in the upper few feet. Total thickness is less than 30 feet. The alluvium is underlain by the Baxter Shale of upper Cretaceous age. The Baxter is exposed on the slope between the upper Piedmont Alluvium and the modern floodplain alluvium. The Baxter Shale consists of gray, soft, slope-forming calcareous shale containing numerous beds of fine-grained, ripple-marked sandstone and minor limestone.

EROSION/SEDIMENTATION/STABILITY: The revised location is on relatively level ground and should pose no erosional stability problems

PALEONTOLOGICAL POTENTIAL: None observed

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit. 200' X 150' X 12'(As per APD)

LINER REQUIREMENTS (Site Ranking Form attached): Minimum requirement is a 12 mil synthetic liner. As per APD, a 16 mil or thicker, nylon-reinforced plastic liner will be used.

SURFACE RESTORATION/RECLAMATION PLAN: As per surface use agreement.

SURFACE AGREEMENT: In APD.

CULTURAL RESOURCES/ARCHAEOLOGY: The revised location has been cleared by the archaeological study. An archaeological site is located south of the proposed well location.

OTHER OBSERVATIONS/COMMENTS: The Division of Wildlife Resources has stated tha drilling should not take place between December 1 and April 15, in order to avoid interfering with winter wildlife habitat, especially the crucial winter range for deer and elk. The access road will enter the pad near the southwest corner at about the zero cut and fill point. An 18" culvert will be placed where the access road enters the location. Water will be hauled by tank trucks from Rock Springs, WY, Dutch John, UT, or from Red Creek (Temporary Application Number 41-3640, T78128). Water may also come from additional locations as per approval from Daggett County. The operator (Wexpro/Questar) has a statewide surety blanket bond with Liberty Mutual (965-003-0333) in place for plugging in the amount of \$120,000.

ATTACHMENTS: 4 photos of this location were taken and will be placed on file.

Reinbold Mark
Evaluator

2/22/2010
Date / Time

Application for Permit to Drill Statement of Basis

2/25/2010

Utah Division of Oil, Gas and Mining

Page 1

| | | | | | |
|------------------|---|---------------|--------------------------|--------------------------------|------------|
| APD No | API WellNo | Status | Well Type | Surf Owner | CBM |
| 1855 | 43009500010000 | LOCKED | GW | P | No |
| Operator | WEXPRO COMPANY | | Surface Owner-APD | Division of Wildlife Resources | |
| Well Name | Clay Basin Unit #69 | | Unit | CLAY BASIN | |
| Field | CLAY BASIN | | Type of Work | GW | |
| Location | SENW 20 3N 24E S 1363 FNL 1343 FWL GPS Coord (UTM) 648436E 4538551N | | | | |

Geologic Statement of Basis

Significant volumes of high quality ground water are unlikely to be encountered at this location. A moderately permeable to permeable soil may be developed on the Younger North Flank Piedmont Alluvium (Qan2) if there is sufficient sand or coarser sediment from reworked Mesaverde Group rocks, but if reworked mud from the Baxter Shale is predominant, the soil is likely to have low permeability. In the normal stratigraphic sequence in this area, the Mesaverde Group (upper Cretaceous) conformably overlies the Baxter Shale. In the immediate vicinity of the proposed well, the Qan2 lies unconformably on the upper Cretaceous Baxter Shale, which is the surface bedrock unit in the immediate area. The Baxter Shale (or the Mancos Shale, as shown by Wexpro in the APD) extends from the surface (beneath the Qan2) to the top of the Frontier Formation at an estimated depth of 5375 feet. The Baxter Shale consists of gray, soft, slope-forming calcareous shale with numerous beds of fine-grained, ripple-marked sandstone and minor limestone.

The Division of Water Rights indicates no underground water rights filed within a one mile radius of the proposed well site. Seven surface water rights (including point to point) for stockwatering purposes are filed for Red Creek and tributaries by the Division of Wildlife Resources. The proposed drilling, casing and cementing program should adequately isolate any shallow zones of fresh water that may be penetrated. The nearest known springs (as shown on USGS topographic maps) are in the area of Richards Gap (in Wyoming), approximately 1½ miles north-northeast of the proposed well location, The springs issue from sandstones in the Mesaverde Group and are located east of the road which runs along the east side of Red Creek. The strata in that area dip toward the north at about 20 degrees.

Wexpro plans to extend surface casing in the well to a depth of 500 feet, within the Baxter Shale. This should adequately protect zones of fresh water from contamination.

Reinbold Mark
APD Evaluator

2/18/2010
Date / Time

Surface Statement of Basis

The proposed location is on property owned by the Department of Natural Resources, Division of Wildlife Resources. The surface immediately surrounding this location drains south via Red Creek to the Green River. Precipitation will be deflected around the location with diversion ditches on the south and east sides, berms, and culverts. There will be a fence around the reserve pit. The site was photographed and characterized during the on-site review. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway.

Reinbold Mark
Onsite Evaluator

2/22/2010
Date / Time

Conditions of Approval / Application for Permit to Drill

| | |
|-----------------|------------------|
| Category | Condition |
|-----------------|------------------|

Application for Permit to Drill Statement of Basis

2/25/2010

Utah Division of Oil, Gas and Mining

Page 2

| | |
|---------|--|
| Pits | A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit. |
| Surface | The well site shall be bermed to prevent fluids from leaving the pad. |
| Surface | Drainages adjacent to the proposed pad shall be diverted around the location. |

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 8/7/2009

API NO. ASSIGNED: 43009500010000

WELL NAME: Clay Basin Unit #69

OPERATOR: WEXPRO COMPANY (N1070)

PHONE NUMBER: 307 922-5647

CONTACT: Paul Jibson

PROPOSED LOCATION: SENW 20 030N 240E

Permit Tech Review:

SURFACE: 1363 FNL 1343 FWL

Engineering Review:

BOTTOM: 1363 FNL 1343 FWL

Geology Review:

COUNTY: DAGGETT

LATITUDE: 40.98655

LONGITUDE: -109.23548

UTM SURF EASTINGS: 648436.00

NORTHINGS: 4538551.00

FIELD NAME: CLAY BASIN

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

PROPOSED PRODUCING FORMATION(S): FRONTIER

SURFACE OWNER: 4 - Fee

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: STATE/FEE - 965003033
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: Daggett County
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

LOCATION AND SITING:

- R649-2-3.
Unit: CLAY BASIN
 - R649-3-2. General
 - R649-3-3. Exception
 - Drilling Unit
Board Cause No: R649-3-3
 - Effective Date:**
 - Siting:**
 - R649-3-11. Directional Drill
-

Comments: Presite Completed

Stipulations: 5 - Statement of Basis - bhill
23 - Spacing - dmason



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Clay Basin Unit #69
API Well Number: 43009500010000
Lease Number: FEE
Surface Owner: FEE (PRIVATE)
Approval Date: 2/25/2010

Issued to:

WEXPRO COMPANY , P.O. Box 458, Rock Springs, WY 82902

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the FRONTIER Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Additional Approvals:

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

- Any changes to the approved drilling plan – contact Dustin Doucet
- Significant plug back of the well – contact Dustin Doucet

- Plug and abandonment of the well – contact Dustin Doucet

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels
OR
submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <https://oilgas.ogm.utah.gov>
- 24 hours prior to testing blowout prevention equipment - contact Dan Jarvis
- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program – contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well – contact Dan Jarvis

Contact Information:

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

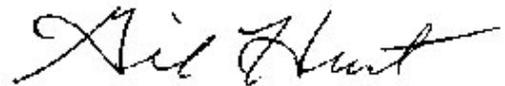
- Carol Daniels 801-538-5284 - office
- Dustin Doucet 801-538-5281 - office
801-733-0983 - after office hours
- Dan Jarvis 801-538-5338 - office
801-231-8956 - after office hours

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:



Gil Hunt
Associate Director, Oil & Gas

| | |
|--|--|
| STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | FORM 9 |
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | 5. LEASE DESIGNATION AND SERIAL NUMBER: FEE |
| | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | 7. UNIT or CA AGREEMENT NAME: CLAY BASIN |
| 1. TYPE OF WELL Gas Well | 8. WELL NAME and NUMBER: CLAY BASIN UNIT #69 |
| 2. NAME OF OPERATOR: WEXPRO COMPANY | 9. API NUMBER: 43009500010000 |
| 3. ADDRESS OF OPERATOR: P.O. Box 458 , Rock Springs, WY, 82902 | PHONE NUMBER: 307 922-5612 Ext |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 1363 FNL 1343 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 20 Township: 03.0N Range: 24.0E Meridian: S | 9. FIELD and POOL or WILDCAT: CLAY BASIN |
| | COUNTY: DAGGETT |
| | STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|---|
| <input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 2/24/2011 | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> CASING REPAIR |
| <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> CHANGE WELL NAME |
| <input type="checkbox"/> SPUD REPORT Date of Spud: | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> CONVERT WELL TYPE |
| <input type="checkbox"/> DRILLING REPORT Report Date: | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> NEW CONSTRUCTION |
| | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> PLUG BACK |
| | <input type="checkbox"/> PRODUCTION START OR RESUME | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION |
| | <input type="checkbox"/> REPERFORATE CURRENT FORMATION | <input type="checkbox"/> SIDETRACK TO REPAIR WELL | <input type="checkbox"/> TEMPORARY ABANDON |
| | <input type="checkbox"/> TUBING REPAIR | <input type="checkbox"/> VENT OR FLARE | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> WATER SHUTOFF | <input type="checkbox"/> SI TA STATUS EXTENSION | <input checked="" type="checkbox"/> APD EXTENSION |
| | <input type="checkbox"/> WILDCAT WELL DETERMINATION | <input type="checkbox"/> OTHER | OTHER: <input style="width: 100px;" type="text"/> |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Clay Basin Unit No. 69 APD was originally approved on 2/25/2010 for a period of one year. At this time, Wexpro Company requests a APD extension for an additional one year.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 02/17/2011
By: 

| | | |
|---|-------------------------------------|------------------------------|
| NAME (PLEASE PRINT) Paul Jibson | PHONE NUMBER 307 352-7561 | TITLE Permit Agent |
| SIGNATURE N/A | | DATE 2/16/2011 |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43009500010000

API: 43009500010000

Well Name: CLAY BASIN UNIT #69

Location: 1363 FNL 1343 FWL QTR SENW SEC 20 TWNP 030N RNG 240E MER S

Company Permit Issued to: WEXPRO COMPANY

Date Original Permit Issued: 2/25/2010

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No

- Has the approved source of water for drilling changed? Yes No

- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

- Is bonding still in place, which covers this proposed well? Yes No

Signature: Paul Jibson

Date: 2/16/2011

Title: Permit Agent **Representing:** WEXPRO COMPANY



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 14, 2012

Wexpro Company
P.O. Box 458
Rock Springs, WY 82902

Re: APD Rescinded – Clay Basin U 69, Sec. 20 T.3N, R.24E,
Daggett County, Utah API No. 43-009-50001

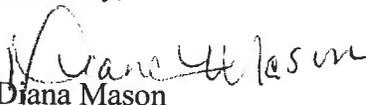
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 25, 2010. On February 17, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 14, 2012.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Brad Hill, Technical Service Manager